

Part III

Administrative, Procedural, and Miscellaneous

26 CFR 601.201: Rulings and determination letters.
(Also Part I, §29.)

Rev. Proc. 2001-34

SECTION 1. PURPOSE

.01 This revenue procedure modifies Rev. Proc. 2001-30, 2001-19 I.R.B. , which provides the circumstances under which the Internal Revenue Service will issue private letter rulings regarding whether a solid fuel produced from coal is a qualified fuel under § 29(c)(1)(C) of the Internal Revenue Code. The circumstances necessary for the Service to issue a private letter ruling include the presence of coal feedstock particles no larger than a specific size, and the performance of specific activities in processing the feedstock in order to effectuate a significant chemical change.

.02 Rev. Proc. 2001-30 is modified to expand the range of sizes of coal feedstock and to eliminate one particular activity as a necessary part of a process that results in a qualified fuel.

SECTION 2. MODIFICATIONS

.01 Section 3 of Rev. Proc. 2001-30 is modified by deleting the word “entirely” after the phrase “The feedstock coal consists”, adding the phrase “the majority of which, by weight, are” after the word “particles”, and substituting “3/8” for “1/8” in the first condition.

.02 Section 3 of Rev. Proc. 2001-30 is also modified by deleting the phrase “following an acid bath” after the word “monomers” in the second condition.

.03 Section 3 of Rev. Proc. 2001-30, as modified, is set forth below as Section 3 of this revenue procedure.

SECTION 3. PROCEDURE

The Service will issue rulings that a solid fuel (other than coke) produced from coal is a qualified fuel under § 29(c)(1)(C) if the conditions set forth below are satisfied and evidence is presented that all, or substantially all, of the coal used as feedstock undergoes a significant chemical change. The conditions are that:

1. The feedstock coal consists of coal fines or crushed coal comprised of particles the majority of which, by weight, are no larger than 3/8 inch;

2. The feedstock coal is thoroughly mixed in a mixer: (a) with styrene or other monomers, (b) with quinoline (C₉H₇N) or other organic resin and left to cure for several days, (c) with ultra heavy hydrocarbons, or (d) with an aluminum and/or magnesium silicate binder following heating to a minimum temperature of 500 degrees Fahrenheit; and

3. The treated feedstock is subjected to elevated temperature and pressure that results in briquettes, pellets, or an extruded fuel product, or the taxpayer represents that the omission of this procedure will not significantly increase the production of the facility over the remainder of the period during which the § 29 credit is allowable.

SECTION 4. EFFECTIVE DATE

This revenue procedure applies to all ruling requests, including any pending in the national office and any submitted after the date of publication of this revenue procedure.

SECTION 5. EFFECT ON OTHER DOCUMENTS

Rev. Proc. 2001-30 is modified.

DRAFTING INFORMATION

The principal author of this revenue procedure is David McDonnell of the Office of Associate Chief Counsel (Passthroughs and Special Industries). Other personnel from the IRS and Treasury participated in its development. For further information regarding this revenue procedure contact Mr. McDonnell on (202) 622-3120 (not a toll-free call).